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Title

Presented By:

Name, Position Title

Date

EVMS - Risk Planning

- Review contract, MOA/delegation, and supplier's EVMS procedures (ie. System Description)

Supplier key processes for EVMS

Organizing	Scheduling	Work/Budget Authorizing	Accounting	Managing Indirect
Analyzing	Change Incorporating	Managing Material	Managing Subcontract	

- For our example, we'll choose "analyzing"-- specifically supplier development of an Estimate at Completion (EAC)
- EAC is key because it provides an important indicator of supplier cost & schedule performance trends

For our Example...

- **Assume supplier has one program (three contracts) with EVMS reporting requirements.**
- **For each contract, EVMS monitor reviews EAC practices against approved procedures, and rates risk in accordance with Risk Matrix.**
- **Findings recorded on Risk Assessment Worksheet:**

Contracts A&B: Updated every 6 months iaw/ procedures --Supplier EACs tracking well with Govt EACs.

Contract C: No EAC Update for last 18 months

- **Risk rating**

Contracts A&B rated “low”, with C rated “high”

For our Example...

- **Process Proofing would be appropriate risk handling tool.**

Provide bi-weekly check on supplier improvement efforts.

Upon next Contract C EAC update, proof process for conformance with approved procedures--continue to proof every 6 months.

Proof EAC process for contracts A&B annually.

- **If supplier EACs diverge from Govt EACs in the future, root cause analysis would be appropriate tool.**

For our Example...

- Monitor and record progress made by supplier personnel in providing sound, “bottoms-up” EAC.

Individual control account managers as well as upper management

- Once a meaningful and realistic EAC has been successfully developed in a timely fashion over several iterations, consider backing down risk level to moderate, and eventually, low.

- Risk documentation provides basis for communicating supplier risk and improvement status to EVMS Monitor, PST, Customer, and Supplier.
- Risk assessment worksheet key to capturing supplier's risk rating for key EVMS processes.
- Need to maintain all relevant documentation (e.g., Supplier procedures, risk handling plan, surveillance results, etc.) in an organized fashion.

Record results so that surveillance is repeatable by others (e.g., identify personnel contacted, documents reviewed